

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF[261]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development hereby amends Chapter 25, "Housing Fund," Iowa Administrative Code.

Notice of Intended Action was published in the Iowa Administrative Bulletin on July 16, 2008, as **ARC 6943B**.

The amendments add a number of new definitions; incorporate new "green development" standards and criteria into the housing program; add a new eligible activity, "development subsidy," to cover some of the additional costs of green development; increase the maximum award amounts for several of the housing activity categories; and include a number of other clarifying revisions.

The Department held a public hearing on Monday, August 11, 2008, to receive comments on the amendments.

Three comments were received on the proposed amendments. Two comments were received in relation to the amendment to subrule 25.8(7). Both comments recommended an increase to the proposed limit on technical services costs, as described in the subrule. As originally proposed, the maximum allowable cost for the provision of technical services was \$3,750 per unit (single-family activities involving rehabilitation). In response to the comments, subrule 25.8(7) has been revised to increase the per-unit limitation on technical services costs to \$4,500 per unit. Subrule 25.8(7) now reads as follows:

"25.8(7) Single-family per unit subsidies.

"a. The maximum per unit subsidy for all single-family activities involving rehabilitation is \$37,500. The \$37,500 per unit limit includes all applicable costs including, but not limited to, the hard costs of rehabilitation or the acquisition subsidy or both; home ownership assistance activities; technical services costs, including lead hazard reduction or abatement carrying costs; lead hazard reduction or abatement costs; and temporary relocation. All applicable technical services costs, including any lead hazard reduction or abatement carrying costs, are limited to \$4,500 per unit.

"b. Assistance for single-family activities providing acquisition assistance for newly constructed housing (mortgage buy-down, downpayment or closing costs assistance or both, or combinations thereof) is limited to \$35,000 per unit, inclusive of all costs, including technical services costs.

"c. Assistance for single-family activities providing development subsidies for newly constructed housing is limited to \$20,000 per unit. Development subsidies may be provided in addition to acquisition assistance activities."

The third comment questioned the requirements of the Iowa Green Streets Criteria and noted the following six specific requirements that the commenter felt were unnecessary or not cost-effective: the requirement to hire a Home Energy Rating System (HERS) Program rater during building construction, mandatory installation of exhaust fans in kitchens, mandatory insulation of cold and hot water piping for PEX tubing, and the type of radon control required for multifamily developments. No changes have been made in response to this comment. However, the Department will reexamine the Iowa Green Streets Criteria as a result of the comment, and may make appropriate revisions to those criteria in the future.

In addition, the existing definition of "technical services" has been rescinded in new Item 2 and the proposed definition of the same term is adopted as published under Notice. Subsequent items have been renumbered accordingly.

The Iowa Economic Development Board adopted these amendments on September 18, 2008.

These amendments will become effective on November 12, 2008.

These amendments are intended to implement Iowa Code section 15.108(9)“b.”

EDITOR’S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amendments to Ch 25] is being omitted. With the exception of the change noted above, these amendments are identical to those published under Notice as **ARC 6943B**, IAB 7/16/08.

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[For replacement pages for IAC, see IAC Supplement 10/8/08.]